

CORPORATE SOLES SCHEME

Background History of Corporation Sole

Corporation Sole statutes are intended to provide individuals, such as bishops or persons of a church, to be incorporated for the purpose of insuring the continuation of ownership of property dedicated to the benefit of a religious organization. The office of bishop in most US dioceses is a Corporation Sole.

The "Corporation Sole" has been an entity operating the churches for centuries. The Pope used this concept of the Corporation Sole as a way to separate himself as a person from the control and ownership of the Churches assets. Consequently, the Popes family was unable to gain control of the Churches assets after his death.

Seventeen states in the United States of America recognize the corporation sole. They are:

Alabama Code Section 10-4-1 to 9 (1975)
Alaska Stat. Section 10.40.060 (1985)
Arizona Revised Stat. Ann. Section 10-421 to 426 (1977)
California Corp. Code Sections 10000 to 10015 (West 1977)
Colorado Rev. Stat. 7-52-101 to 104
Hawaii Rev. Stat. Section 419-1 to 9
Idaho Code Section 30-304
Michigan Comp. Laws Ann. Section 458.1-2, 458.271-273 (West 1983)
Montana Code Ann. 35-3-101 to 209 (1985)
Nevada Rev. Stat. Section 84.010-080 (1985)
New Hampshire Rev. Stat. Ann. Section 306.6-8 (1984)
North Carolina Gen. Stat. Section 615 (1982)

Oregon Rev. Stat. Section 61.055(1)-(3) (1983)
South Carolina Code Ann. Section 33-31-140 (Law Co-op 1976)
Utah Code Ann. Section 16-7-1 to 12 (1973)
Washington Rev. Code ann. Section 24.12.010-040 (1969)
Wyoming Stat. Section 17-8-109 to 113 (1977)

Recent Tax Avoidance Trends

A growing number of anti-government movements have taken a state law that allows individuals to form one-person, nonprofit religious corporations (known as a Corporation Sole) and apply it for their own unjust advantage of avoiding taxes, child support, or other obligations.

Tax scheme promoters or consultants in various parts of the United States are selling their Corporation Sole package as a method to separate individuals (one's self) from the laws of the United States. Their advertising tactics convince people that they should not be paying taxes.

These promoters or consultants travel the country and hold seminars or classes, and charge upwards of \$10,000

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What are Corporation Soles?

State Corporate Sole statutes are intended to provide individuals, such as bishops or parsons of a church, to be incorporated for the purpose of insuring the continuation of ownership of property dedicated to the benefit of a religious organization. The office of bishop in most US dioceses is a CS.

The CS is not an entity, but a Perpetual Office. When the bishop in this example dies, authority and control of the religious property succeeds to the next person holding the bishop position. Generally, creditors of a CS may not look to the assets of the individual holding the office nor may the creditors of the individual look to the assets held by the CS.

Thus a CS recognizes the right of the bishop or other overseer to control the assets and activities of a church but to have limited legal accountability for their use.

The CS statute requires little information from the applicants and is virtually unregulated. Once the CS application passes muster, which adheres to formality over substance, the CS has no recurring filing fees or yearly reporting requirements.

Bogus CS

Now entering this picture are unscrupulous promoters, willfully exploiting this legitimate statute by creating hundreds or thousands of false one-person religious organizations. The promoters charge clients anywhere from \$ 1,000 on up for boilerplate language and a \$ 30.00 filing fee.

The client, now a CS, can avoid such things as taxes, child support or other debt obligations. In addition, the client now has a valid State ID number in which he/she can open bank accounts to skim monies virtually undetected.